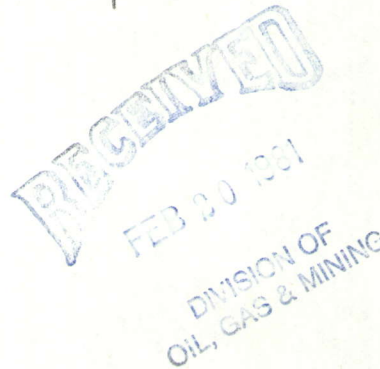


LAW OFFICES OF  
VAN COTT, BAGLEY, CORNWALL & MCCARTHY  
A PROFESSIONAL CORPORATION  
SUITE 1600  
50 SOUTH MAIN STREET  
SALT LAKE CITY, UTAH 84144  
TELEPHONE (801) 532-3333

February 19, 1981

Denise Dragoo, Esq.  
Assistant Attorney General  
Division of Oil, Gas, and Mining  
1588 West North Temple  
Salt Lake City, Utah 84116



Dear Denise:

Enclosed please find a proposed Mined Land Reclamation Contract which we have prepared covering the Atlas Corporation uranium mines. The draft Contract specifically addresses the questions we have raised with regard to revegetation test plots and reclamation obligations. If the draft Contract is acceptable to the Division staff, we will make arrangements to have it submitted to the Board of Oil, Gas, and Mining for approval.

If you have any questions or if you would like to discuss the matter further, please let me know.

Very truly yours,



James A. Holtkamp

JAH:al  
Encls.

cc: Mr. Richard R. Weaver  
Mr. Thomas L. Wilson  
Mr. Richard Dye



DRAFT  
2/19/81

ACT/037/051

MINED LANDS RECLAMATION CONTRACT

THIS CONTRACT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 19\_\_, between Atlas Corporation, a Delaware corporation (hereinafter called the "Operator"), and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah (hereinafter called the "Board").

W I T N E S S E T H:

WHEREAS, the Operator is the owner or lessee and is in possession of certain mines and associated workings in the State of Utah (hereinafter called the "Mines"), which are more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof; and

WHEREAS, the operator has filed Notices of Intention to Commence Mining Operations and Mining and Reclamation Plans for the Mines, as listed on Exhibit "B" attached hereto and by this reference made a part hereof; and

WHEREAS, the aforesaid Notices and Plans have been approved by the Board or are pending approval by the Board as shown on Exhibit "B"; and

WHEREAS, the Operator is able and willing to conduct reclamation operations at the Mines in accordance with the



requirements specified in the aforesaid Notices and Plans, the Mined Land Reclamation Act, and the rules and regulations adopted in connection therewith; and

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the Mines; and

WHEREAS, the Board is cognizant of the nature, extent, duration of the operations at the mines, the Operator's financial status, and the Operator's ability to carry out the planned work.

NOW, THEREFORE, in consideration of the promises and covenants herein contained the Operator and the Board hereby agree as follows:

1. The Operator agrees to reclaim the land affected by mining activities at the Mines in accordance with the Operator's approved Mining and Reclamation Plans listed in Exhibit "B", the Mined Land Reclamation Act, and the regulations adopted under said Act.

2. The Operator and the Board agree that, except as specifically provided herein, reclamation of the land affected by mining activities at the Mines shall be governed only by the Mining and Reclamation Plans listed in Exhibit "B" as



approved by the Board and applicable laws and regulations.

3. The Operator agrees to develop and maintain revegetation test plots at the sites and under the conditions proposed by the Operator and approved by the Board.

4. The Operator agrees to revegetate the land affected by mining activities at the Mines based on the data derived from the revegetation test plots described in paragraph 3 above.

5. The Operator shall be an independent contractor and as such shall have no authorization to bind the State of Utah or the Board to any agreement except as herein set forth.

6. The Operator agrees to hold harmless the State of Utah, the Board, and the Division of Oil, Gas, and Mining from claims for personal injury or death, damages to personal property and liens of workmen and materialmen, howsoever caused, in performance of this contract.

7. In lieu of accepting a bond or surety, the Board agrees to accept the Operator's personal guarantee as set forth in this contract, to reclaim the land affected by the Mines in accordance with the Operator's Mining and Reclamation Plans listed in Exhibit "B" as approved by the Board.

8. This Contract shall fulfill the Operator's obligations under Section 40-8-14, Utah Code Annotated, and Rule M-5 of the Board's Regulations.



9. If the Operator does not comply with its obligations under this Contract as to any of the Mines, the Board shall give to the Operator a notice of noncompliance and shall initiate proceedings to revoke the approval of the Notice of Intention to Commence Mining Operations relating to the mine which is not in compliance with this Contract. Such proceedings shall be governed by applicable law.

10. If the Mined land Reclamation Act, the regulations adopted thereunder, or any other statute or regulation, are amended to remove the legal requirement serving as the basis for any provision of this Contract, the Operator will no longer be required to comply with such provision of the Contract. Nothing herein, however, shall be deemed to relieve the Operator from compliance with applicable laws and regulations relating to reclamation of land affected by the operations of any of the mines.

IN WITNESS WHEREOF, the parties hereto have respectively set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

ATTEST:

ATLAS CORPORATION

\_\_\_\_\_

\_\_\_\_\_

SEAL

BOARD OF OIL, GAS, AND MINING

By \_\_\_\_\_



STATE OF UTAH                    )  
                                      : ss.  
COUNTY OF                        )

On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, A.D.,  
personally appeared before me \_\_\_\_\_,  
who being by me duly sworn did say that he is the \_\_\_\_\_  
\_\_\_\_\_ of Atlas Corporation, and that said instrument  
was signed in behalf of said corporation by authority of its  
bylaws, and said \_\_\_\_\_ acknowledged  
to me that said corporation executed the same.

\_\_\_\_\_  
NOTARY PUBLIC  
Residing At: \_\_\_\_\_

My Commission Expires:  
\_\_\_\_\_

\_\_\_\_\_, Secretary of the Board of  
Oil, Gas, and Mining of the State of Utah, hereby certifies  
that the foregoing Surety Agreement was approved by the  
Board on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, in  
Cause No. \_\_\_\_\_.



ACT/037/051

EXHIBIT "A"

MINES OPERATED BY ATLAS

Calliham/Sage  
Dunn  
Far West  
Four Corners  
Pandora  
Patti Ann  
Probe  
Rim Columbus  
Snow  
Standard I  
Velvet  
Wood Lease

MINES OWNED OR LEASED BY ATLAS BUT  
OPERATED BY SOMEONE OTHER THAN ATLAS

Cactus Rat  
Cane Creek  
Happy Jack  
Ivy  
Locust Spider  
Louise  
Radium King  
Standard II  
Windfall

12% COTTON FIBER CONTENT

SOUTHWORTH CO. U.S.A.

PERMANENT RECORD



EXHIBIT "B"

MINES SUBJECT TO APPROVED NOTICES OF INTENT

Dunn	Approved	11/7/77
Ivy	Approved	2/3/79
Locust Spider	Approved	4/20/77
Louise	Approved	9/28/78
Pandora	Approved	4/20/77
Patti Ann	Approved	9/24/76
Probe	Approved	4/13/77
Radium King	Approved	3/22/77
Rim Columbus	Approved	3/22/77
Standard II	Approved	10/27/78
Velvet	Approved	11/29/79
Windfall	Approved	4/20/77